

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, October 23, 1996

OFFICE OF PUBLIC SCHOOL CONSTRUCTION
WORKLOAD PRIORITIES

PURPOSE OF REPORT

To obtain direction from the State Allocation Board regarding workload priorities within the Office of Public School Construction.

DESCRIPTION

As a result of project apportionments made on May 29, 1996 from Proposition 203 and the direction received from the State Allocation Board as to its priority for processing/funding, the Office of Public School Construction originally focused its workload processing priorities as follows:

1. Releasing of planning, site and construction funds as the result of bid approvals;
2. The processing of appeals that are deemed to be a health and/or safety issue. All other appeals (i.e., non-health and/or safety) and normal application reviews would not be processed until the Proposition 203 funds were released to the districts.

At the May 29, 1996 meeting, the State Allocation Board added to the processing priority by directing the Office of Public School Construction to process: 1) requests for priority enhancement * and, 2) appeals where the district believed its project was misclassified for purposes of priority funding. Subsequently, at the June 26, 1996, meeting the State Allocation Board discussed priorities and directed the Office of Public School Construction to process all priority one new construction and modernization projects for all phases. Then, at the September 25, 1996 meeting, the State Allocation Board set aside \$40 million for 60/40 projects and assigned first priority for processing these 60/40 project funding requests. The Office of Public School Construction has concentrated its efforts on the priorities as set forth by the State Allocation Board; consequently, non-health and/or safety appeals have not been addressed.

The current workload backlog which the State Allocation Board has directed the Office of Public School Construction to process is as follows:

<u>Description</u>	<u>Backlog</u>
• Release of Proposition 203 Planning, Site and Construction funds	156
• Proposition 203 bid review/approvals	58
• Priority enhancements/misclassifications	-0-
• Priority one, new construction (Phases P, S and C)	46
• Priority one, modernization (Phases P and C)	64
• 60/40 requests	10

* Districts that were identified on the May 1, 1996 "Unfunded List" as Priority 3 through 8 projects were given the opportunity to convert their project to a Priority 1 or 2 funding status.

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DESCRIPTION (con't)

The current workload backlog for which the State Allocation Board has not directed the Office of Public School Construction to process is as follows:

<u>Description</u>	<u>Backlog</u>
• Priority one project appeals (non-health and/or safety)	65
• Priority two project appeals (non-health and/or safety)	219
• Priority two, new construction applications (Phases P, S and C)	51
• Priority two, modernization applications (Phases P and C)	409

Since the Office of Public School Construction has not specifically addressed each non-health and/or safety appeal request, there is no way to determine what types of appeals are being requested.

EXECUTIVE SUMMARY

On September 25, 1996, action was taken by the State Allocation Board to allocate the balance of funds available from Proposition 203 for new construction and modernization projects in the amount of \$178.6 million. This consent agenda will allocate approximately \$94.9 million which leaves only \$83.7 million to address all the remaining applications, including many appeals where districts believe their projects were damaged by workload priorities and would otherwise have been funded.

Since the balance of funds available for new construction and modernization will be allocated in the near future for priority one requests, the State Allocation Board may wish to reassess the workload processing priorities in order to give consideration for funding to non-health and/or safety appeal requests that have been "in-house" as early as April/May 1996.

RECOMMENDATIONS

1. Continue the processing of the release of Proposition 203 funds for Planning, Site and Construction phases (Phases P, S and C) and bid approvals.
2. Begin the processing of non-health and/or safety appeals received prior to September 25, 1996.
3. Continue the processing of 60/40 requests for funding.
4. Discontinue the processing of priority one (new applications) until all non-health and/or safety appeals received prior to September 25, 1996 have been processed.

BOARD ACTION

In considering this Item, the Board approved staff recommendations. The Board directed staff to bring forth all the projects that were ready for the November consent agenda. These projects are to be integrated with the appeals and a master list is to be created which will provide funding recommendations.